

House File 2586 - Introduced

HOUSE FILE 2586

BY ISENHART

A BILL FOR

1 An Act relating to electric motor vehicles, including by
2 creating an electric vehicle charging station grant program
3 and fund, creating an electric vehicle registration fee tax
4 credit, and exempting customers of an electric utility who
5 have paid electric vehicle registration fees from certain
6 user or franchise fees, making appropriations, and including
7 applicability provisions.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 307.50 Electric vehicle charging
2 station grant program — fund.

3 1. The department shall establish and administer an
4 electric vehicle charging station grant program to provide
5 grants to private entities to incentivize the construction
6 of electric vehicle charging stations and to build electric
7 vehicle charging stations on the state capitol complex grounds.

8 2. a. An electric vehicle charging station grant fund is
9 created in the state treasury under the administration and
10 control of the department.

11 (1) (a) Moneys transferred to the fund pursuant to
12 subparagraph division (b) are appropriated to the department to
13 provide grants to private entities to build electric vehicle
14 charging stations at locations more than one mile away from a
15 highway identified by the federal highway administration of
16 the United States department of transportation as part of a
17 designated alternative fuel corridor.

18 (b) Notwithstanding section 8.57H, subsection 2, for the
19 fiscal year beginning July 1, 2022, and for each fiscal year
20 thereafter, there is transferred from the Iowa coronavirus
21 capital projects fund created in section 8.57H to the electric
22 vehicle charging station grant fund seven million six hundred
23 thousand dollars or the balance of the Iowa coronavirus capital
24 projects fund, whichever is lower.

25 (c) This subparagraph is repealed July 1, 2025, or on the
26 date the balance of the Iowa coronavirus capital projects fund
27 is transferred to the electric vehicle charging station grant
28 fund, whichever occurs earlier.

29 (2) (a) Moneys deposited in the fund pursuant to
30 subparagraph division (b) are appropriated to the department to
31 build electric vehicle charging stations on the state capitol
32 complex grounds.

33 (b) (i) For the fiscal year beginning July 1, 2022,
34 and for each fiscal year thereafter, there is appropriated
35 to the electric vehicle charging station grant fund from

1 moneys received by the state from any partial settlement with
2 Volkswagen for violations of the federal Clean Air Act that
3 are eligible for use under this subparagraph division pursuant
4 to the terms of the settlement agreement, an amount necessary
5 to build electric vehicle charging stations on the state
6 capitol complex grounds, as determined by the department of
7 administrative services.

8 (ii) If the amount appropriated under subparagraph
9 subdivision (i) is insufficient, for the fiscal year beginning
10 July 1, 2022, and for each fiscal year thereafter, there is
11 transferred from the Iowa coronavirus capital projects fund
12 created in section 8.57H to the electric vehicle charging
13 station grant fund an amount necessary to build electric
14 vehicle charging stations on the state capitol complex grounds,
15 as determined by the department of administrative services,
16 notwithstanding section 8.57H, subsection 2. This subparagraph
17 subdivision is repealed July 1, 2025.

18 b. Notwithstanding section 8.33, moneys in the fund
19 that remain unencumbered or unobligated at the close of a
20 fiscal year shall not revert but shall remain available for
21 expenditure for the purposes designated. Notwithstanding
22 section 12C.7, subsection 2, interest or earnings on moneys in
23 the fund shall be credited to the fund.

24 3. The department shall adopt rules pursuant to chapter
25 17A to administer the electric vehicle charging station grant
26 program, including but not limited to rules providing for an
27 application process and establishing the criteria necessary to
28 award grants to applicants that plan to build electric vehicle
29 charging stations. The department may establish a limit on the
30 amount of moneys that may be awarded in order to maximize the
31 use of the moneys in the fund.

32 Sec. 2. Section 321.116, Code 2022, is amended to read as
33 follows:

34 321.116 Battery electric and plug-in hybrid electric motor
35 vehicle fees.

1 1. For each battery electric motor vehicle subject to an
 2 annual registration fee under [section 321.109, subsection 1](#),
 3 paragraph "a", and operated on the public highways of this
 4 state, the owner shall pay an annual battery electric motor
 5 vehicle registration fee, which shall be in addition to the
 6 annual registration fee imposed for the vehicle under section
 7 321.109, subsection 1, paragraph "a". ~~For purposes of this~~
 8 ~~subsection, "battery electric motor vehicle" means a motor~~
 9 ~~vehicle equipped with electrical drivetrain components and not~~
 10 ~~equipped with an internal combustion engine, that is propelled~~
 11 ~~exclusively by one or more electrical motors using electrical~~
 12 ~~energy stored in a battery or other energy storage device that~~
 13 ~~can be recharged by plugging into an electrical outlet or~~
 14 ~~electric vehicle charging station. The amount of the fee shall~~
 15 ~~be as follows:~~

16 ~~a. For the period beginning January 1, 2020, and ending~~
 17 ~~December 31, 2020, sixty-five dollars.~~

18 ~~b. For the period beginning January 1, 2021, and ending~~
 19 ~~December 31, 2021, ninety-seven dollars and fifty cents.~~

20 ~~c. On or after January 1, 2022, is one hundred thirty~~
 21 ~~dollars.~~

22 2. For each plug-in hybrid electric motor vehicle subject to
 23 an annual registration fee under section 321.109, subsection
 24 1, paragraph "a", and operated on the public highways of this
 25 state, the owner shall pay an annual plug-in hybrid electric
 26 motor vehicle registration fee, which shall be in addition
 27 to the annual registration fee imposed for the vehicle under
 28 section 321.109, subsection 1, paragraph "a". ~~For purposes of~~
 29 ~~this subsection, "plug-in hybrid electric motor vehicle" means a~~
 30 ~~motor vehicle equipped with electrical drivetrain components,~~
 31 ~~an internal combustion engine, and a battery or other energy~~
 32 ~~storage device that can be recharged by plugging into an~~
 33 ~~electrical outlet or electric vehicle charging station. The~~
 34 ~~amount of the fee shall be as follows:~~

35 ~~a. For the period beginning January 1, 2020, and ending~~

1 ~~December 31, 2020, thirty-two dollars and fifty cents.~~

2 ~~b. For the period beginning January 1, 2021, and ending~~
3 ~~December 31, 2021, forty-eight dollars and seventy-five cents.~~

4 ~~c. On or after January 1, 2022, is sixty-five dollars.~~

5 3. The department shall document the average number of
6 miles traveled per vehicle per year by battery electric motor
7 vehicles and plug-in hybrid electric motor vehicles registered
8 under this section.

9 4. For purposes of this section:

10 a. "Battery electric motor vehicle" means a motor vehicle
11 equipped with electrical drivetrain components and not
12 equipped with an internal combustion engine, that is propelled
13 exclusively by one or more electrical motors using electrical
14 energy stored in a battery or other energy storage device that
15 can be recharged by plugging into an electrical outlet or
16 electric vehicle charging station.

17 b. "Plug-in hybrid electric motor vehicle" means a motor
18 vehicle equipped with electrical drivetrain components, an
19 internal combustion engine, and a battery or other energy
20 storage device that can be recharged by plugging into an
21 electrical outlet or electric vehicle charging station.

22 **Sec. 3. NEW SECTION. 321.116A Electric vehicle registration**
23 **fee tax credit.**

24 1. a. A person who paid a registration fee pursuant to
25 section 321.116 or section 321.117, subsection 2, may claim a
26 tax credit in an amount equal to the registration fee paid.

27 b. The tax credit shall be allowed against taxes imposed
28 under chapter 422, subchapter II or III.

29 c. An individual may claim a tax credit under this section
30 of a partnership, limited liability company, S corporation,
31 estate, or trust electing to have income taxed directly to
32 the individual. The amount claimed by the individual shall
33 be based upon the pro rata share of the individual's earnings
34 from the partnership, limited liability company, S corporation,
35 estate, or trust.

1 *d.* Any tax credit in excess of the taxpayer's liability
2 for the tax year is not refundable but may be credited to the
3 tax liability for the following five years or until depleted,
4 whichever is earlier.

5 *e.* A tax credit shall not be carried back to a tax year
6 prior to the tax year in which the taxpayer first receives the
7 tax credit.

8 2. The department of transportation shall control the
9 issuance of all tax credit certificates to persons who pay
10 a registration fee pursuant to section 321.116 or section
11 321.117, subsection 2.

12 3. *a.* To claim a tax credit under this section, a taxpayer
13 shall include one or more tax credit certificates with the
14 taxpayer's tax return.

15 *b.* The tax credit certificate shall contain the taxpayer's
16 name, address, tax identification number, the amount of the
17 credit, and any other information required by the department
18 of revenue.

19 *c.* The tax credit certificate, unless rescinded by the
20 department of transportation, shall be accepted by the
21 department of revenue as payment for taxes imposed pursuant to
22 chapter 422, subchapters II and III, subject to any conditions
23 or restrictions placed by the department of transportation upon
24 the face of the tax credit certificate.

25 *d.* Tax credit certificates issued pursuant to this section
26 shall not be transferred to any other person.

27 Sec. 4. Section 321.117, subsection 2, Code 2022, is amended
28 to read as follows:

29 2. *a.* In addition to the fee required for a motorcycle
30 under [subsection 1](#), the owner of a motorcycle that is a
31 battery electric motor vehicle or plug-in hybrid electric motor
32 vehicle, as those terms are defined in [section 321.116](#), shall
33 pay an annual electric motorcycle registration fee. The amount
34 of the fee ~~shall be as follows:~~

35 ~~*a.* For the period beginning January 1, 2020, and ending~~

1 ~~December 31, 2020, four dollars and fifty cents.~~

2 ~~b. For the period beginning January 1, 2021, and ending~~
3 ~~December 31, 2021, six dollars and seventy-five cents.~~

4 ~~c. On or after January 1, 2022, is~~ nine dollars.

5 b. The department shall document the average number of miles
6 traveled per vehicle per year by motorcycles registered under
7 this subsection.

8 Sec. 5. NEW SECTION. 422.120 Electric vehicle registration
9 fee tax credit.

10 The taxes imposed under this subchapter, less the credits
11 allowed under section 422.12, shall be reduced by an electric
12 vehicle registration fee tax credit allowed under section
13 321.116A.

14 Sec. 6. Section 422.33, Code 2022, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 32. The taxes imposed under this subchapter
17 shall be reduced by an electric vehicle registration fee tax
18 credit allowed under section 321.116A.

19 Sec. 7. Section 476.6, Code 2022, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 22. *Electric vehicles.* A residential
22 customer of an electric utility subject to rate regulation
23 by the board shall be exempt from paying any user fee or
24 franchise fee on the first two hundred eighty-two kilowatt
25 hours of electricity per month if the residential customer
26 submits to the electric utility proof that the customer paid
27 a registration fee required under section 321.116 or section
28 321.117, subsection 2, within the previous one-year period.

29 Sec. 8. APPLICABILITY. The following apply to tax years
30 beginning on or after January 1, 2023:

31 1. The section of this Act enacting section 321.116A.

32 2. The section of this Act enacting section 422.120.

33 3. The section of this Act enacting section 422.33,
34 subsection 32.

35 EXPLANATION

1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill requires the department of transportation (DOT) to
4 establish and administer an electric vehicle charging station
5 grant program. The bill creates an electric vehicle charging
6 station grant fund which is administered and controlled by
7 the DOT. The bill transfers moneys from the Iowa coronavirus
8 capital projects fund to the electric vehicle charging station
9 grant fund, and appropriates such moneys to the DOT to provide
10 grants for the construction of electric vehicle charging
11 stations outside of alternative fuel corridors designated by
12 the federal highway administration. The bill also appropriates
13 moneys from the Volkswagen partial settlement and transfers
14 moneys from the Iowa coronavirus capital projects fund to the
15 electric vehicle charging station grant fund to build electric
16 vehicle charging stations on the state capitol complex grounds,
17 in amounts determined by the department of administrative
18 services. The DOT must adopt rules to administer the grant
19 program. The DOT may establish a limit on the amount of moneys
20 that may be awarded as a grant in order to maximize the use of
21 the moneys in the fund.

22 The bill strikes out-of-date provisions relating to the
23 increase in registration fees imposed on owners of battery
24 electric and plug-in hybrid electric motor vehicles.

25 The bill requires the DOT to document the average number
26 of miles traveled per vehicle per year by registered battery
27 electric motor vehicles, plug-in hybrid electric motor
28 vehicles, and electric motorcycles.

29 The bill creates a new tax credit available to persons who
30 pay registration fees for battery electric and plug-in hybrid
31 electric motor vehicles and motorcycles. The tax credit is
32 allowed against personal net income taxes and business taxes
33 on corporations. The tax credit is not refundable but can be
34 credited to the tax liability for the following five years or
35 until depleted, whichever is earlier. However, the tax credit

1 cannot be carried back to a tax year prior to the tax year in
2 which the taxpayer first receives the tax credit.

3 The bill provides that the DOT controls the issuance of tax
4 credit certificates to persons who pay registration fees for
5 battery electric and plug-in hybrid electric motor vehicles
6 and motorcycles. The tax credit certificate must contain the
7 taxpayer's name, address, tax identification number, amount
8 of the credit, and any other information as required by the
9 department of revenue (DOR). A person must include the tax
10 credit certificate with the person's tax return in order to
11 claim the tax credit, which, unless rescinded by the DOT,
12 must be accepted by the DOR as payment for taxes. The bill
13 prohibits a person from transferring the tax credit certificate
14 to any other person.

15 The portions of the bill relating to the new tax credit apply
16 to tax years beginning on or after January 1, 2023.

17 Lastly, the bill provides that a residential customer of
18 an electric utility subject to rate regulation by the Iowa
19 utilities board is exempt from paying any user fee or franchise
20 fee on the first 282 kilowatt hours of electricity per month
21 if the residential customer submits to the electric utility
22 proof that the customer paid a registration fee for a battery
23 electric motor vehicle, plug-in hybrid electric motor vehicle,
24 or electric motorcycle within the previous one-year period.